DOCUMENT RESUME

ED 250 125 RC 015 007

TITLE Rural Business, Economic Development, and Employment in New York State: A Preliminary Report.
INSTITUTION New York State Legislative Commission on Rural Resources, Albany.
PUB DATE 8 Dec 83
NOTE 31p.; One of nine reports from the Statewise Legislative Symposium on Rural Development (1st, Albany, NY, October 5-7, 1983). For the other reports from this Symposium, see RC 015 006-013.
PUB TYPE Legal/Legislative/Regulatory Materials (090) -- Collected Works - Conference Proceedings (021)

EDRS PRICE MF01/PC02 Plus Postage.
DESCRIPTORS *Business; Community Development; Economic Change; *Economic Development; *Employment Opportunities; Employment Patterns; Human Resources; Industry; Long Range Planning; Objectives; Problems; Public Policy; Quality of Life; Rural Areas; *Rural Development; *Rural Environment; School Community Relationship; Statewide Planning; Tables (Data); *Trend Analysis
IDENTIFIERS Goal Setting; *New York

ABSTRACT

The First Statewide Legislative Symposium on Rural Development assessed New York's rural business, economic development, and employment potential. Growth in the economic potential of communities, favorable quality of life, and geographic accessibility have supported a decade-long influx of new residents to New York's 44 rural counties. The state has experienced a shift from an industrial to a service-oriented employment base and a restructuring of public/private partnerships in which business, government, and educational institutions play decisive roles. The biggest problem faced by rural New York is a lack of information and coordinated use of facts and programs tailored to its unique requirements and opportunities. The chief goal should be to develop and implement a "Rural Quality of Life Strategy" that focuses on rural New York's human, natural, and community resources including access to financial and information resources, fertile soil and favorable topography, extensive road network, quality educational institutions, pervasive work ethic, and diverse economic structure. Key public policy issues include determining whether further growth and development is intrinsically "good" for rural New York and if institutions will respond to rural problems with appropriate policies, rather than by adopting urban-oriented solutions. Supporting graphs and outlines are appended to the report. (NEC)

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RURAL BUSINESS, ECONOMIC DEVELOPMENT, AND EMPLOYMENT IN NEW YORK STATE: A PRELIMINARY REPORT

NEW YORK STATE LEGISLATIVE COMMISSION ON RURAL RESOURCES

SENATOR CHARLES D. COOK, CHAIRMAN

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RURAL FUTURES

LEGISLATIVE COMMISSION ON RURAL RESOURCES
STATE OF NEW YORK
(518) 455-2544

The Commission on Rural Resources was established by Chapter 428 of the Laws of 1982, and began its work February, 1983. A bipartisan Commission, its primary purpose is to promote a state-level focus and avenue for rural affairs policy and program development in New York State.

The Commission provides state lawmakers with a unique capability and perspective from which to anticipate and approach large-scale problems and opportunities in the state's rural areas. In addition, legislators who live in rural New York are in the minority and look to the Commission for assistance in fulfilling their responsibilities to constituents.

The Commission seeks to amplify the efforts of others who are interested in such policy areas as agriculture; business, economic development, and employment; education; government and management; environment, land use, and natural resources; transportation; housing, community facilities, and renewal; human relations and community life; and health care. It seeks to support lawmakers' efforts to preserve and enhance the state's vital rural resources through positive, decisive action.

In order to obtain a clearer picture of key problems and opportunities, the Commission invited people to informal discussions at a Statewide Rural Development Symposium, held October 5-7, 1983. It was the first such effort of its kind in the state and nation. Workshop participants undertook in-depth examinations of key policy areas the Commission believed were critical to the state's future rural development.

Symposium participants focused their discussions on ends, not means. In short, the objective was to identify key trends, strengths, weaknesses, goals, and opportunities for advancement; not to present solutions. Once a clearer picture of these findings is drawn, the next step will be to identify and propose the required, and hopefully innovative, recommendations. This task will be the subject of a second, follow-up symposium. Another unique feature of the first symposium was the opportunity it provided participants to share their thinking with colleagues from throughout the state over a three-day period of intensive dialogue.

The Commission is happy to announce that the objective of the Symposium was accomplished. Preliminary reports, based on the findings, are being issued as planned, in connection with a series of public hearings it is sponsoring across the state. The aim of these hearings is to obtain public commentary on the preliminary reports. Following these, a final symposium report will be prepared for submission to the Governor and the State Legislature. It will also serve as a resource report for the second statewide symposium on recommendations.

The Commission is comprised of five Assemblymen and five Senators with members appointed by the leader of each legislative branch. Senator Charles D. Cook (R.-Delaware, Sullivan, Greene, Schoharie, Ulster Counties) serves as Chairman. Assemblyman William L. Parment (D.-Chautauqua) is Vice Chairman and Senator L. Paul Kehoe (R.-Wayne, Ontario, Monroe) is Secretary. Members also include: Senator William T. Smith (R.-Steuben, Chemung, Schuyler, Yates, Senaca, Ontario); Senator Anthony M. Masiello (D.-Erie); Senator Thomas J. Bartosiewicz (D.-Kings); Assemblywoman Louise M. Slaughter (D.-Monroe, Wayne); Assemblyman Michael McNulty (D.-Albany, Rensselaer); Assemblyman John G.A. O'Neil (R.-St. Lawrence); and Assemblyman Richard Coombe (R.-Sullivan, Delaware, Chenango).

PREFACE

The Legislative Commission on Rural Resources publishes herein one of nine preliminary reports from the First Statewide Legislative Symposium on Rural Development held October 5-7, 1983. Not only was this effort a "first" for New York State, but for the nation as well.

The purpose of the Symposium, and the public hearings that will follow, is to catalog the strengths of rural New York, to define its problems, and to establish goals for the next two decades. Neither the Symposium nor the hearings will deal with strategy to develop our resources, address our problems, or accomplish our goals. That will be the thrust of a later Commission effort.

For the moment, it is our purpose to foster as objectively and exhaustively as possible, an understanding of where we are and where we want to go.

The Symposium reports in each subject area encompass the oral and written findings of the respective workshops, along with responses given at the Commission hearing where the reports were presented to State legislators for comment and discussion. Incorporated into this preliminary report is subsequent comment from group participants on points they felt needed amplification. Also appended to the published product is basic resource material intended to clarify points made in the reports.

I wish to personally congratulate the Symposium participants on the very sound and scholarly documents they have produced. However, their work is only preliminary to the final product which will be issued by the Commission once the hearing process is complete.

Those who read this report are urgently invited to participate in the public hearings that will be held throughout rural New York, or to submit comments in writing to the Commission. Your support, disagreement or commentary on specific points contained in the Symposium report will have a strong influence on the final report of the Commission.

Please do your part in helping to define sound public policy for rural New York during the next two decades.

Senator Charles D. Cook

Chairman

Legislative Commission on Rural Resources

INTRODUCTION

Growth in the economic potential of communities, a favorable quality of life, and geographic accessibility all support population shifts. A steady decade-long influx of new residents into New York's 44 rural counties during the 1970's, and an increasingly strong economic climate have sparked renewed enthusiasm about the future economic health of the State.

Symposium participants have attempted to provide a realistic assessment of New York State's rural business, economic development, and employment potential. Their work has revealed a surprising list of opportunities and assets, that help balance weaknesses and problem areas.

Stiffening competition from foreign enterprises represents a major challenge for rural New York. During the past decade, many business enterprises have been shaken into the realization that the United States economy is no longer "the only game in town."

World nations have become increasingly interdependent through the emergence of global economic networks, which capitalize on the relative strengths of national, state, and local economies. Still, early successes have shown American entrepreneurs to be resilient and creative in their efforts to improve the nation's competitive edge and expand foreign markets.

Over the past 30 years, the State has experienced a massive shift from an industrial to a service-oriented employment structure in both rural and metropolitan areas. A recent trend that should help provide a smooth transition to this new economy is the restructuring of public/private partnerships in which business, government, and educational institutions all play decisive roles. Together, these institutions can share information and take advantage of the vast technological capabilities available through joint

problem-solving and planning activities. For instance, much remains to be done to combat such woes as hazardous industrial waste and duplicative government services that increase the costs of doing business in rural New York.

During the past decade, another trend has been evidenced in rural areas of the State. Although manufacturing employment is a declining proportion of the overall work force in America and most of New York's metropolitan counties, New York State's rural localities have shown surprising stability in this employment sector.

The biggest single problem faced by rural New York appears to be a lack of information and coordinated use of facts and programs that are aimed at its unique requirements and opportunities. At present, most information tends to be gathered for and centered around major metropolitan regions.

Informed policy and business decisions concerning the future economic growth of rural New York will hinge, in part, upon the successful development of an effective data base (i.e., a central inventory of rural resources). In order to fully understand New York State's present and future economy, the economic health of each county, local community, and business sector must be examined. In addition, an accurate statistical picture is vital if communications networks are to be improved and specific economic development efforts are to be successfully targeted. These networks will provide a broad range of opportunities for every individual, foster job creation and retention, and enhance regional industries, such as tourism.

The Symposium group suggests that a chief goal for state lawmakers is to develop and implement a "Rural Quality of Life Strategy," that focuses on the existing strengths found in rural New York's human, natural, and community resources. The State's potentially lucrative position at the geographic hub of

major world and regional markets is a major economic asset. Other advantages include rural New York's potential access to financial and information resources; fertile soil and favorable topography; numerous and abundant forest, mineral, and water resources; an extensive road network; quality educational institutions; scenic beauty; a four-season climate; a pervasive work ethic; and a strong track record of gains in productivity. Also, of particular significance, is rural New York's diverse economic structure. Such business diversification tends to dampen the negative consequences of periodic, single-industry fluctuations and creates a climate beneficial to the exploration of viable economic alternatives.

A key public policy question that will require further disussion by lawmakers is whether constituents perceive further growth and development as being intrinsically "good" for rural New York. For example, the merits of government financial incentives to industries that choose to locate in rural areas of the State is questioned. A related issue concerns institutions that tend to respond to rural problems by adopting urban-oriented solutions. Symposium participants felt that the special problems and opportunities associated with rural areas should be considered when programs and policies are designed and administered.

WHERE RURAL NEW YORK IS TODAY

Trends

- During the 1970's, rural counties in New York State experienced population increases - a turnaround of the seemingly inevitable out-migration of the rural populace.

- Although the overall state population continues to decline, the economically productive age groups have been on the increase during the past 30 years in all areas of the State.

- Throughout rural New York State, public and private sector leaders are convening to promote policies and programs to attract and support high-tech companies in step with the advent of an information/knowledge society;

- The greatest proportionate increases of women in the work force have occurred in the more rural areas of the State over the past 30 years;

- In most New York State counties, as is true throughout the United States, the secondary employment sector (manufacturing) represents a declining proportion of the work force. Only the most rural counties in New York show stability on this indicator;

- During the last decade, the proportion of the work force in primary-industry employment (i.e., farming, forestry, mining, fishing, etc.) declined between 15 and 25 percent in rural counties;

- The overwhelming majority (70%) of employment in New York State in 1980 was in the service sector (i.e., professional, technical, wholesale and retail trade). The greatest growth in this sector since 1950 has occurred in the state's rural counties.

- The shift toward new forms of public/private partnerships is gaining momentum and is a new form of enterprise that will shape much of rural New York's future economic and social endeavors. Business/government/educational interactions, once viewed with skepticism at best, are now being developed as an innovative approach to the creation of future economic vitality.

- Emphasis is shifting throughout American society from saving "sunset" industries to retraining people several times during their working lives. For example, adult New Yorkers are returning to the classroom in large numbers, in search of new job skills (i.e., the adult student population is larger than the traditional age group in many local colleges in New York State).

Strengths and Assets

- Natural Resources:

  - Rural New York is ideally positioned at the geographic center of major markets with potential access to financial, creative and informational resources;

  - Insulation from natural disasters and major geologic disturbances provides a stable setting for commerce and industry;

  - Many areas of rural New York are available for new uses and renewal. Also, favorable topography and modest land prices offer numerous options for a variety of new industries;

  - Water resources include an abundance of lakes and rivers, as well as access to ocean facilities available for commercial and sport fishing, recreational use, energy production and transportation. High quality drinking water serves citizens' needs throughout the State;

  - Mineral resources present an untapped potential for economic growth. Natural gas, talc, iron ore, and other resources can solidify rural New York's economic base;

  - Abundant, fertile soil and a favorable climate provide an opportunity for further growth in agriculture;

  - Forests provide essential raw materials suitable for home use, export, energy production, and wood product manufacturing. This renewable resource has the potential to revitalize the "finished products" industry in rural New York communities;

  - Clean, crisp, fresh air makes rural New York attractive to a variety of people - both as a vacationland and a place to live and work.

- Human Resources:

  - A strong cultural heritage and sense of community pervade rural New York localities. In addition, environmental factors and a history which spans several centuries, contribute to a generally positive and appealing quality of life;

  - An extensive system of primary, secondary and higher education institutions offer a wide array of programs and curricula. Technical, vocational, academic and life-skill programs, coupled with research capabilities, provide students with basic competencies to join a productive work force;

  - A pervasive work ethic and a strong track record of productivity combine to make the New York worker a viable asset in the production of high-quality goods and services.

- Despite recent economic downturns, more people are employed today in rural New York than at any other time in past history;

- The individual entrepreneur and small business person may hold the key to economic growth and development in rural communities, since it is in small firms that most of the new job opportunities are being created in the state and national economies. Happily, small business enterprise is a strong tradition in rural New York State and there is a pool of retired entrepreneurs that may be available to assist younger business people;

- New York State governments do a good job of providing services and set a standard for the nation (i.e., good transportation, educational services, and parks/recreational facilities);

- "Helping thy neighbor" is a rural tradition which fosters a sense of community. Volunteerism is prevalent; New Yorkers are intent on making the personal investment required to plan and revitalize commerce and industry in rural areas, but seek direction in accomplishing this task.

• Existing community resource base:

- Rural New York possesses such transportation capabilities as an extensive road network, airports, waterways and rail lines that provide effective movement of people, raw materials, and finished goods;

- Existing communications, waste treatment, and utility facilities provide a ready environment for new industry. Unused plants and other buildings offer an opportunity for innovative refitting to meet changing community and industrial needs;

- All of rural New York's "economic eggs are not found in one basket." Such business diversification tends to neutralize the effect of periodic single-industry fluctuations;

- The scenic beauty, recreational facilities, and four-season climate of rural New York, and its adaptability to multiple use, contribute to a growing tourism and recreation industry.

Weaknesses and Problem Areas

• Natural Resources:

- Comparative energy costs may place rural New York at a distinct disadvantage with other states when competing for new industry or in persuading existing industry to stay. However, heating costs, cited as a barrier to new industry, must be compared with energy costs in other milder climates where extreme heat

and humidity affect productivity;

- Rural New York shares the universal concern of toxic waste disposal and the battle to preserve existing resources from pollution. Acid rain, pesticide residue, and hazardous industrial waste can no longer be ignored. Costs and time restraints imposed to combat these problems tend to dissuade industry from expanding or relocating in rural New York;

- Although deemed an asset to the tourism/recreation industry, New York's "frost-belt" climate precludes certain types of agriculture and commerce.

• Human Resources:

- Efforts by independent localities to protect "their own turf," hinder the formulation and implementation of a coordinated economic policy that transcends traditional boundary lines. This situation is fueled by lack of understanding of the strengths, weaknesses, and appropriate responses of various localities and regions;

- Duplicative government services aimed at solving the same problem often hinder state and local efforts that would otherwise benefit an entire region through a smaller commitment of resources (i.e., State Department of Environmental Conservation and United States Environmental Protection Agency);

- Unemployment levels in rural New York have been consistently higher than in metropolitan counties during the past 30 years. Factors contributing to this include the movement of the secondary manufacturing sector to automation, the entrance of additional family members into the labor force, and the growth in the overall size of the labor force;

- Rural counties have lower proportions of their adult populations with college experience than do metropolitan counties. This may retard the movement of rural economies toward taking optimum advantage of the changes occurring in New York's shift toward a post-industrial service economy.

• Existing community resource base:

- A statistical picture of rural life, communities, and resources in New York State is skewed by the inexact method of interpolating numbers from the standard metropolitan areas used by Federal, State and local agencies;

- Soaring construction costs, failure to institute periodic maintenance, and a present lack of funds threaten to put much of rural New York's public facilities in a state of disrepair;

- In some areas of rural New York, inadequate public transportation services (airports, rail lines, and buses) create barriers to economic growth.

- Commitment to people:

  - Personal, sales, and real property taxes fund public services and facilities, which serve businesses and communities. Yet, taxes, when excessive, provide a salient argument for businesses and people to relocate outside New York State.

  - Generally inadequate sources of venture capital and, as banks continue to consolidate and merge, private venture capital may become even less available to rural business in the future. At the Federal and State levels, capital programs such as S.B.A. are directed at urban communities.

  - On the Federal level, Washington looks at New York as a predominately urban state. Consequently, New York's agriculture, business, and rural areas are not viewed with a separate eye to their special problems. The present $1.00 per hdwt. milk assesssment is a prime example. New York State, unlike western producers at which the solution is directed, can consume all of the milk it produces.

GOALS FOR RURAL NEW YORK

Rural business, economic development and employment goals should be aimed at capitalizing on the State's numerous and diverse resources, especially those where it has a distinct, comparative advantage. In some instances, problems or weaknesses must first be addressed in order to develop these opportunities.

- Devise a "Rural Quality of Life Strategy" which focuses on present human, natural, and community resources.

- Emphasize in all economic development efforts the need to promote a diversity of individual employment opportunities that will encourage greater equality and upward mobility for the people of the State.

- Attract, retain and enhance small business through the provision of entrepreneurial skills training and new sources of financing. For example, the continued strength of the economic base for all three employment sectors - primary, secondary, and tertiary - is largely dependent on an influx of capital from outside sources;

- Devise a systematic method of data collection, inventory, and analysis relative to labor markets, demographics, and product trends that will

promote greater understanding of rural strengths and weaknesses.

- Such a data base should be available to assist all rural residents and enterprises;

- Research should analyze the tertiary-service sector in order to identify which aspects offer the greatest potential for rural localities and the state as a whole.

- A further essential piece of research is to analyze and determine what policies rural localities can follow in order to increase their chances for smooth transitions within a predominately post-industrial service economy. For example, "exporting" the rural labor force to urban areas may well be the way to "develop" without the need for industry/factories moving into an area of natural beauty.

- Strengthen public/private initiatives in order to maximize development efforts. Such efforts should include improved manpower training and retraining, the elimination of costly and inefficient overlap and/or gaps in government programs, small business enhancement, and the data gathering and analysis noted previously.

- Develop a means for bringing the "underground economy" into the economic data analysis and taxation structure (i.e., farm stands, crafts and other undocumented enterprises).

- Monitor and scrutinize public services and cost containment. For instance, public service improvements should fill real gaps before seeking to improve levels of service generally regarded as adequate in a particular community.

- Develop a long-range capital improvement program for transportation and community facilities.

- Promote a positive "self-image" and perception by rural residents, employers, and communities in order to stimulate greater motivation and potential for economic improvement.

PUBLIC POLICY QUESTIONS TO BE ADDRESSED

A number of public policy questions about rural business, economic development, and employment arise from the previous analysis of trends, strengths, and weaknesses. Following are examples of those state lawmakers will be examining.

- How can New York State, and its rural localities respond to the changing nature of economic development and employment patterns? For example, computers and and communication devices, which are means for overcoming the friction of time and space, make a

decentralization of metropolitan functions to rural areas eminently possible (i.e., back-office concept);

- How can government assist rural localities in taking up the slack in their productive capacities? Some benefits of rural economic growth include a more equitable distribution of jobs, income, and education, in which rural areas now lag. Also, a more efficient and productive state economy would evolve since some capacity in rural areas is presently underutilized.

- Do state and local governments have a responsibility to promote an equitable distribution of computer and telecommunications equipment in rural localities in order to facilitate economic development?

- Which components of the business sector offer the most potential as viable economic bases for rural localities?

    - For example, if the tertiary sector were disaggregated into categories such as legal services, consulting firms, trade and commerce, etc., and studies were conducted of their economic viability, state and local government might be able to focus their energies and resources more efficiently in assisting one another;

    - Manufacturing and farming are still major contributors to rural economies. It is important to discern how they interrelate to the array of services found in the tertiary sector;

- What policies can rural areas follow in order to increase their chances for achieving smooth transitions into the future economic structure of the State? For example:

    - How essential is industrial park development? Better sewer, water, and other public utilities?

    - Should curriculum changes in educational programs reflect the changing economic climates of rural localities?

    - Is there a need for better networking among local leaders so that they are working toward common economic and employment objectives with workable, complimentary strategies?

- What is the effect of "one-industry towns" in which the entire economy is dependent upon the health of a single industry?

- What advantages and disadvantages are there for manufacturing establishments that may wish to locate in rural areas?

- What advantages and disadvantages are there for localities that wish to promote economic development? For example:

    - How do we insure that businesses which construct manufacturing plants based on certain tax or government financial

incentives will not pull up stakes and leave as soon as the tax advantage of the business incentive expires?

- Should tax advantages be offered for the construction of new firms which may compete with already-established area businesses?

SUMMARY

The Commission believes that interventions in natural evolutionary processes can be used by decisionmakers to achieve community goals and diminish the likelihood of serious collisions with undesirable trends. Still more important than individual problems and opportunities, however, are those more positive efforts that will be designed to meet new challenges. Only through a concerted undertaking by many diverse interests will the people of the State be the victors over changes that are being experienced by rural New York.

There are societal and local trends which are influencing such key policy areas in rural New York as agriculture, community life, health care, transportation, natural resources, education, and community facilities. The momentum behind the population shifts occurring across America and in New York State, for example, may well be the most powerful engine of economic, social, and political change in the state. Yet, even this trend could change and, therefore, should be viewed as a tentative assumption about the future environmental context for decisionmaking. Continued monitoring of current trends by lawmakers, government and business officials, academics, and private citizens will provide additional insights that will serve as a catalyst for continued discussion and action on key public policy questions.

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Honorable Paul Tonko
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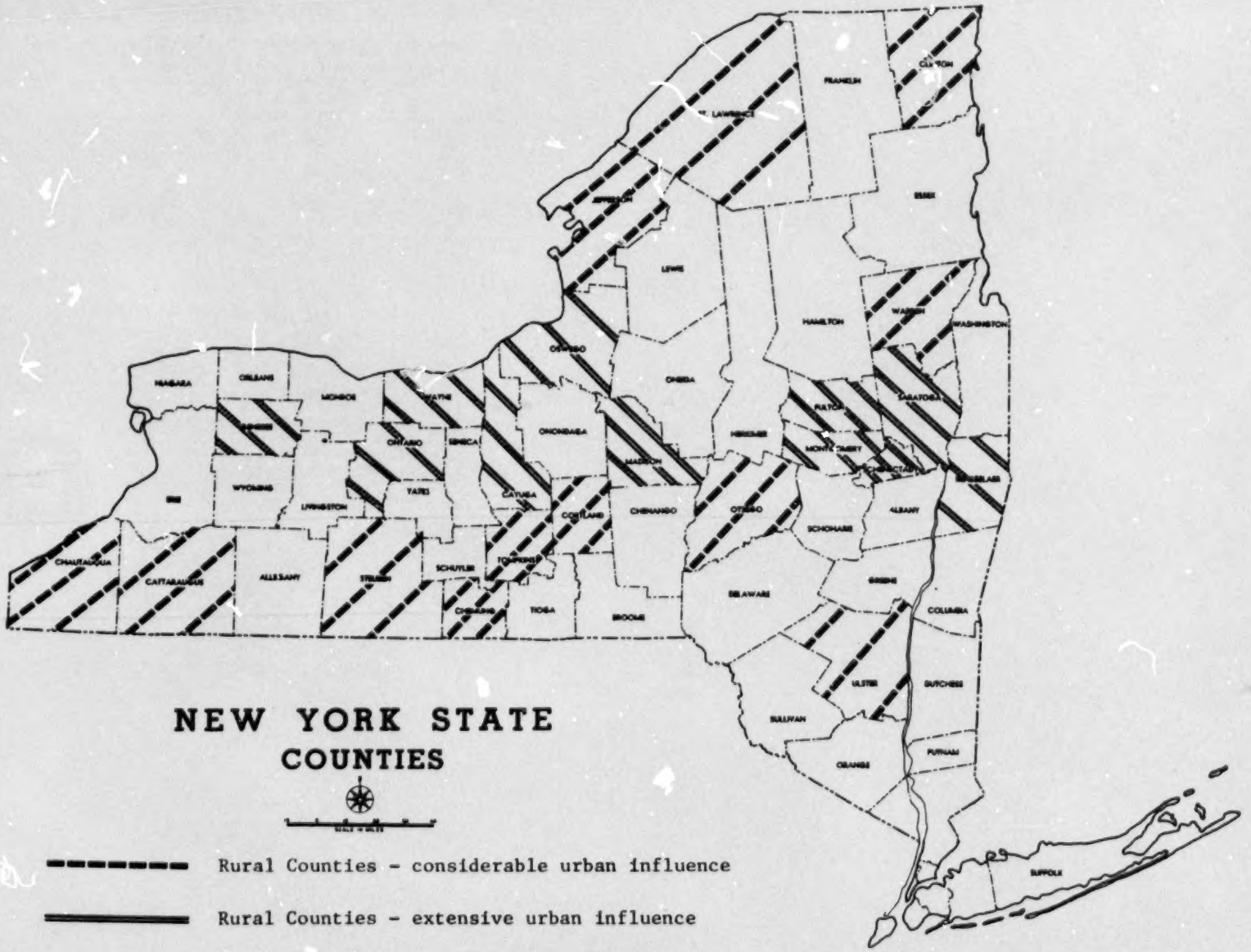
New York State Assembly

APPENDIX


NEW YORK STATE
COUNTIES
Rural Counties - considerable urban influence
Rural Counties - extensive urban influence
FRANKLIN
CLINTON
ESSEX
HAMILTON
WARREN
WASHINGTON
SARATOGA
ALBANY
SCHOHARIE
COLUMBIA
DUTCHESS
ULSTER
SULLIVAN
ORANGE
PUTNAM
SUFFOLK
DELAWARE
CHENANGO
OTSEGO
MADISON
ONONDAGA
CAYUGA
SENECA
YATES
ONTARIO
WAYNE
MONROE
ORLEANS
GENESEE
WYOMING
LIVINGSTON
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BROOME
TOMPKINS
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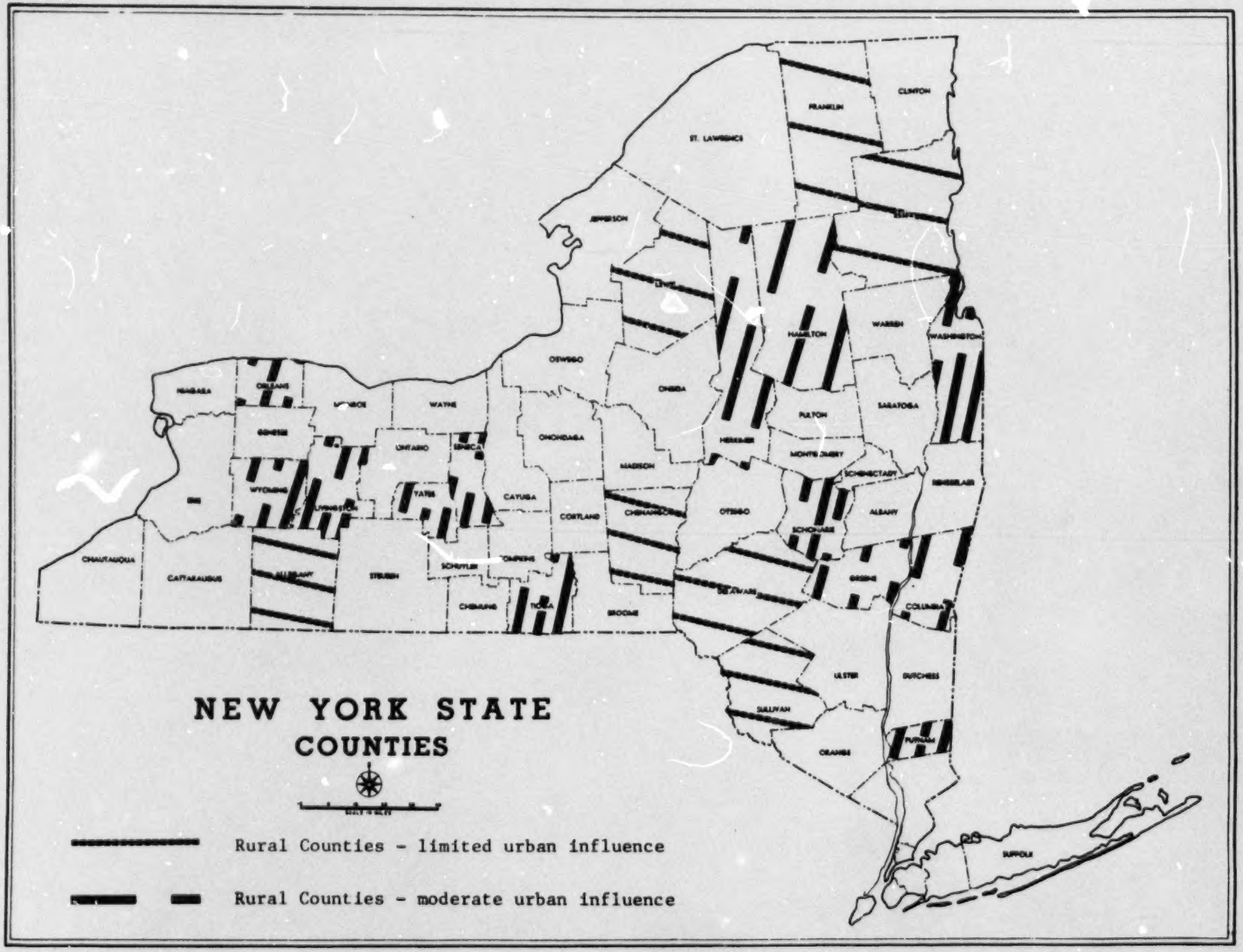
CATTARAUGUS


NEW YORK STATE
COUNTIES
Rural Counties - limited urban influence
Rural Counties - moderate urban influence

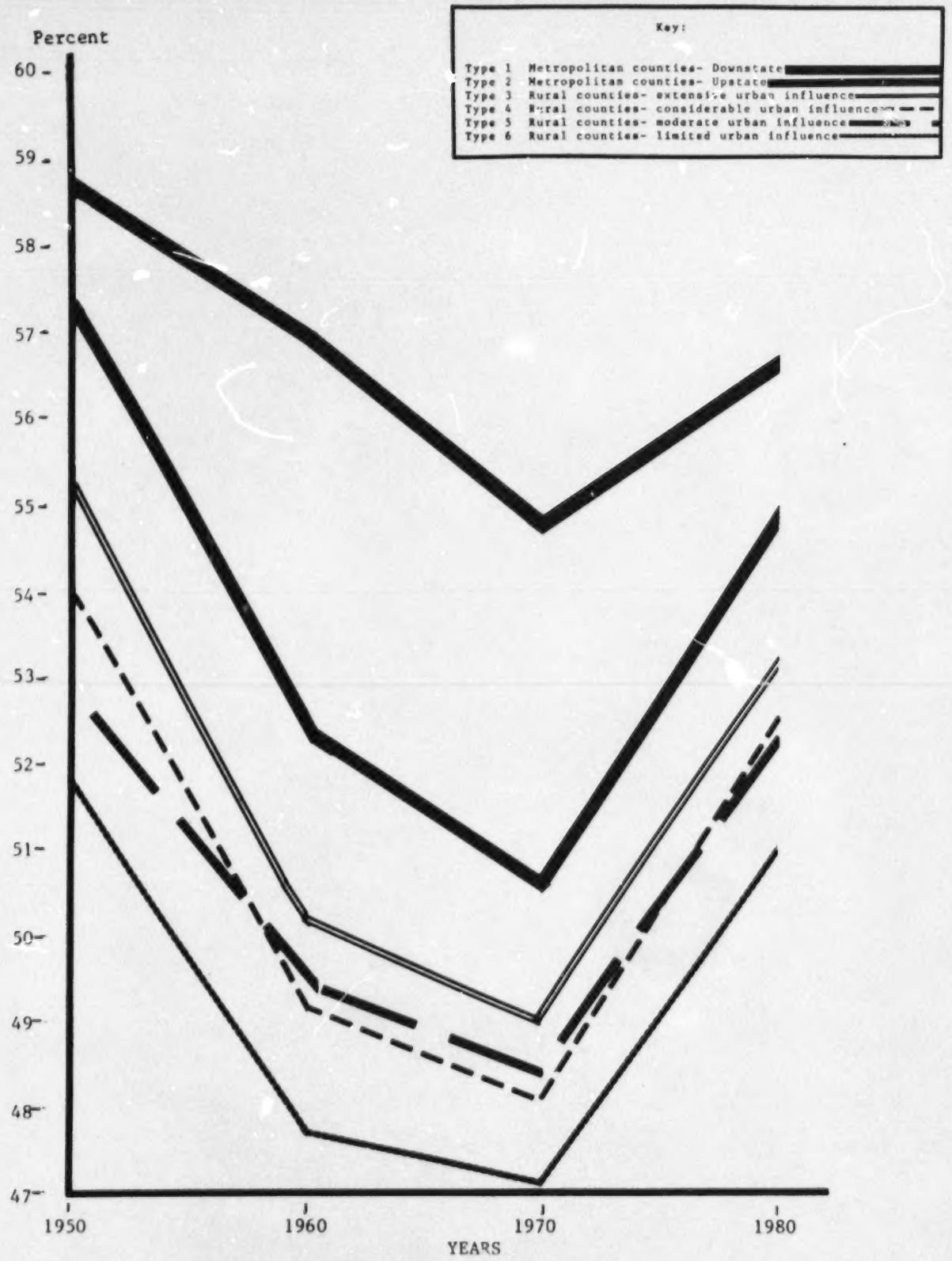


Figure 1. Potential Labor Force (Persons Aged 21 to 65) as Percentage of Population, by County Types, New York State, 1950-1980. Based on data from United States Bureau of the Census.

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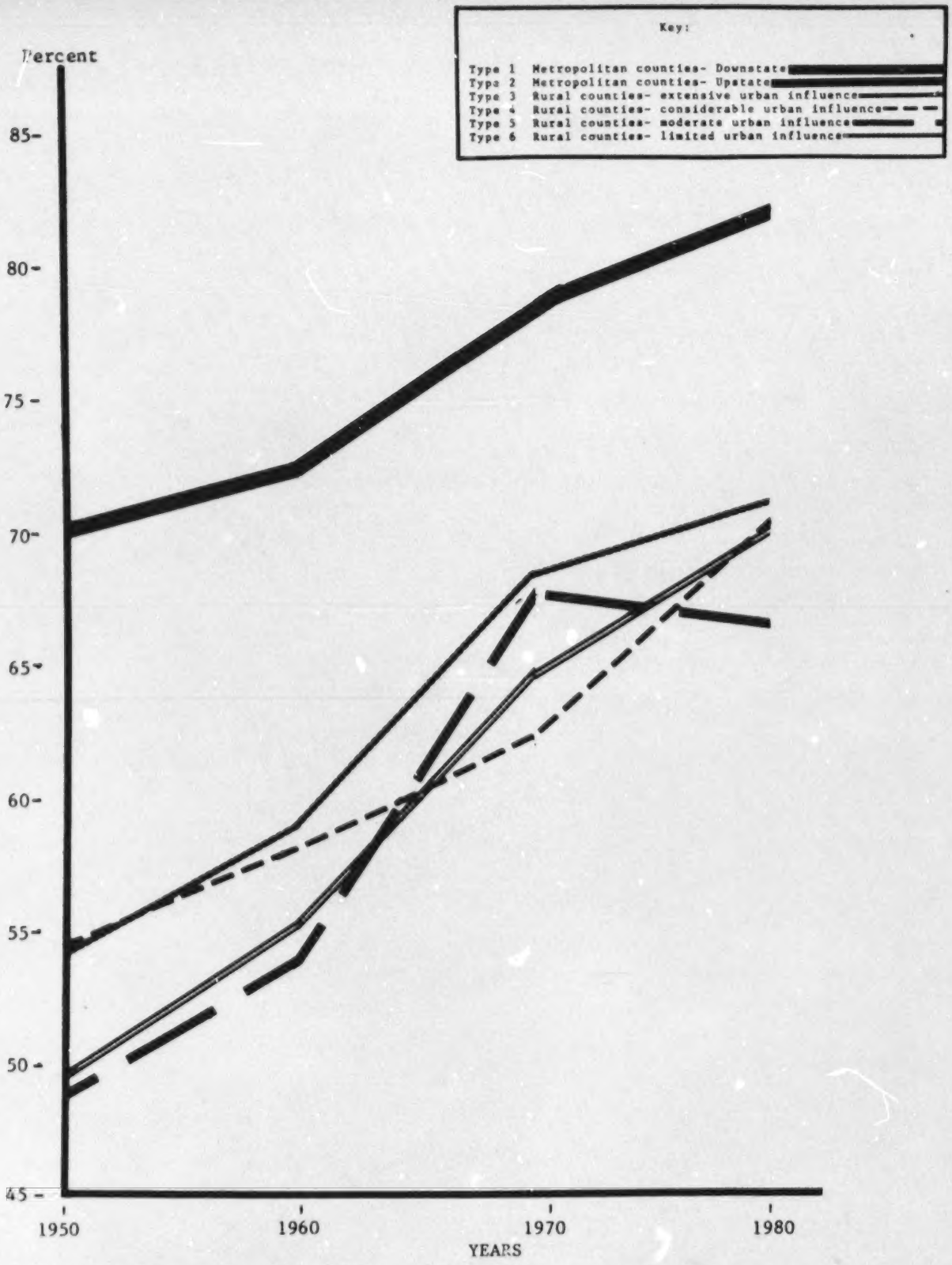

Figure 2. Percentage of Persons Employed in Tertiary (Service) Industries, by County Types, New York State, 1950-1980. Based on data from United States Bureau of the Census.

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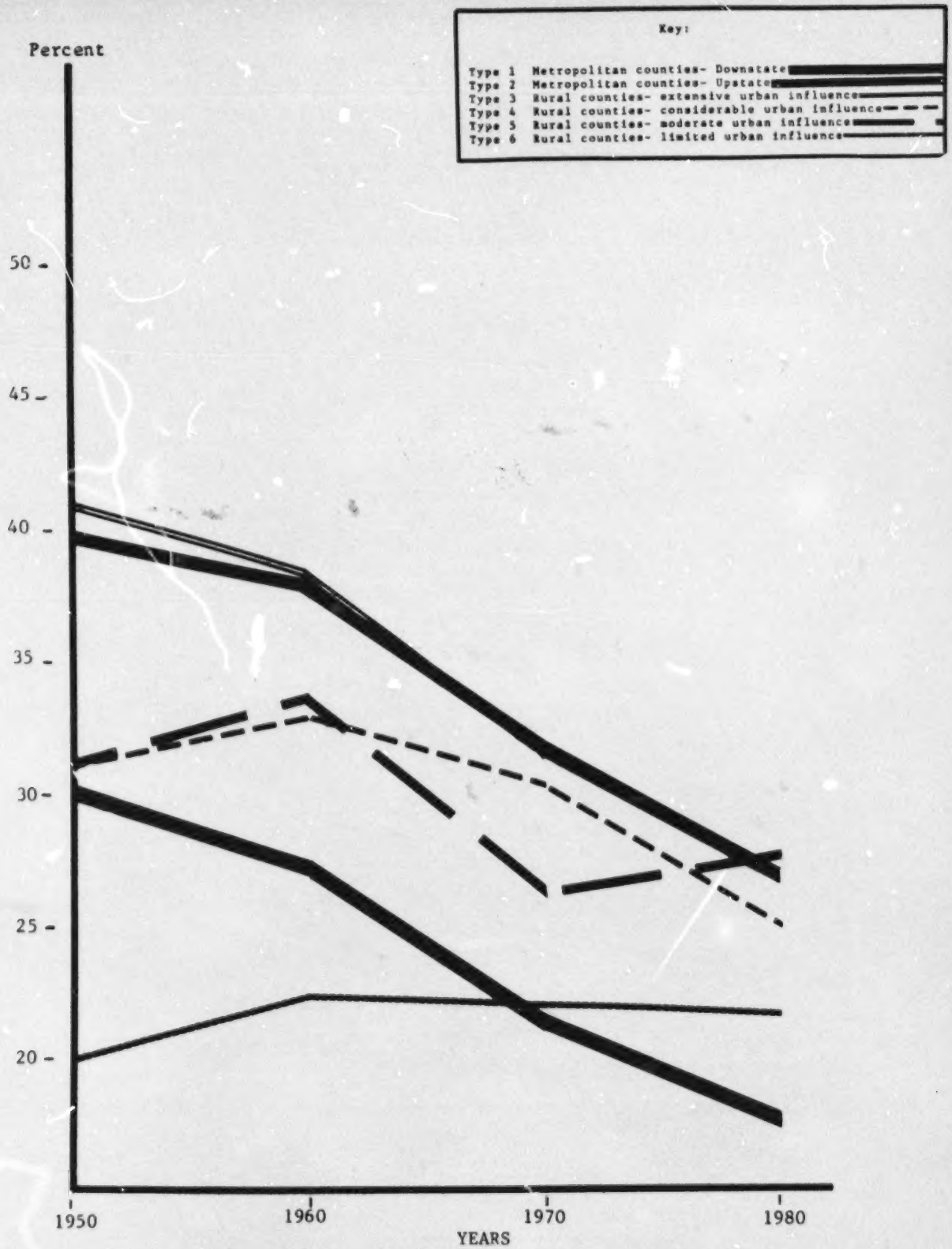

Figure 3. Percentage of Persons Employed in Secondary (Manufacturing) Industries, by County Types, New York State, 1950-1980. Based on data from United States Bureau of the Census.

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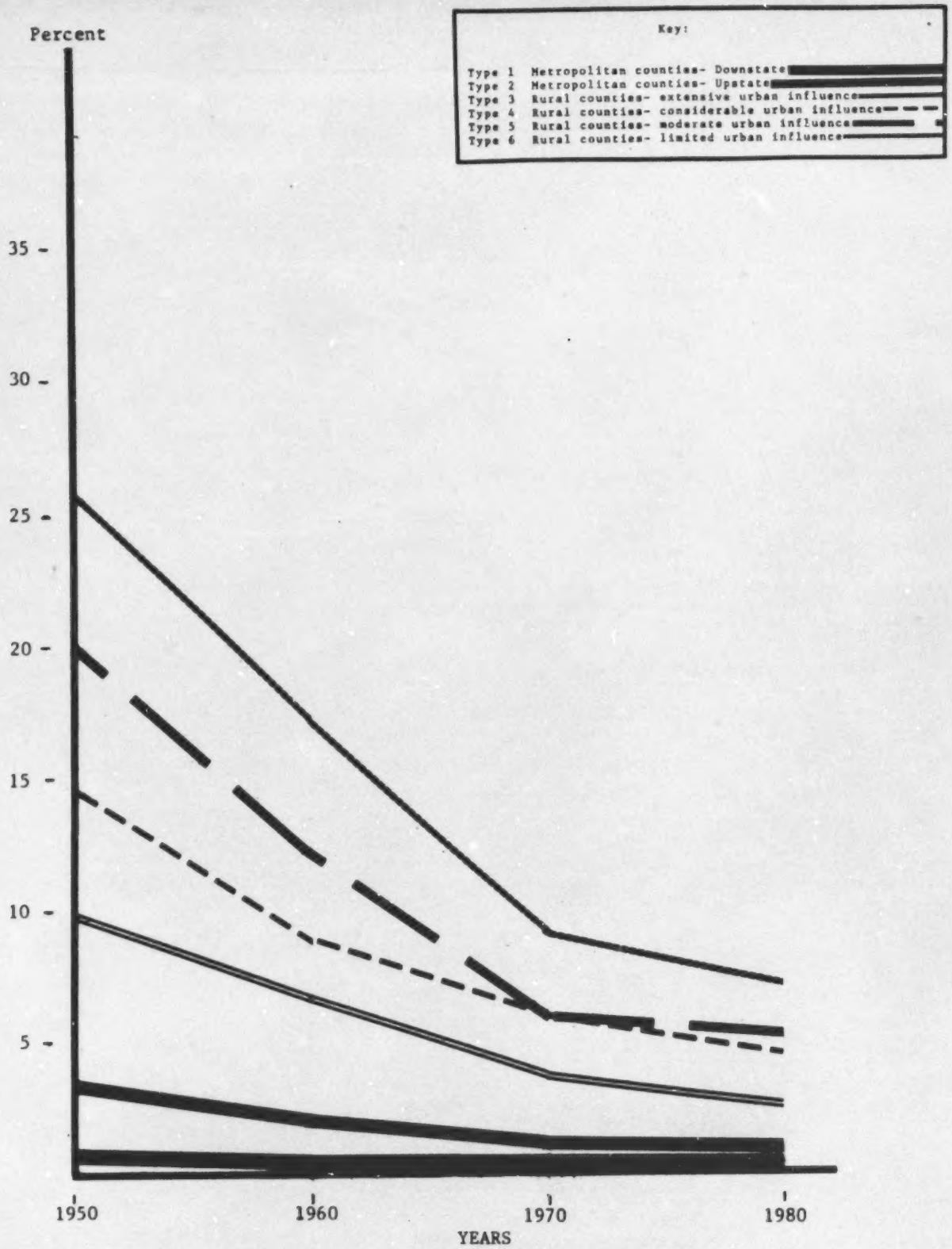

Figure 4. Percentage of Persons Employed in Primary (Extractive) Industries, by County Types, New York State, 1950-1980. Based on data from United States Bureau of the Census.

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FACTORS RELATING TO THE LOCATION OF MANUFACTURING INDUSTRIES

According to the Conference of State Manufacturers' Association (COSMA)

Labor Costs (22.75)*

- **Wages**

  Indicates the level of wages and therefore the relative cost of the general labor resource in a state.

- **Changes in Wages**

  Indicates the trend in wage rates and therefore the trend in the cost of labor.

- **Unionization**

  Indicates the degree of unionization in the workforce and therefore the impact of the unions on labor costs, labor relations, and state political activity.

- **Change in Unionization**

  Indicates the trend in unionization in the workforce and its resulting impact.

State Regulated Employment Costs (21.05)

- **Unemployment Compensation (UC) Benefits**

  Indicates the current level of withdrawals from the unemployment compensation trust fund and the potential for increased or decreased unemployment insurance taxes for the employer in the future.

- **UC Net Worth**

  Indicates the strength of the state unemployment compensation trust fund and the potential for increased or decreased unemployment insurance taxes for the employer in the future.

- **Maximum Workers Compensation (WC) Payment**

  Indicates the maximum weekly claim that has to be paid by the employer for temporary total disability. In states where the average payment is less than this amount, the maximum indicates the potential level of future payments.

* Weighting given to that category of factors by a sample of manufacturers. Total equals 100.

- **WC Rates**

  Indicates the cost of workers' compensation insurance for the employer.

Availability and Productivity of Labor Force (20.08)

- **Vocational-Education Enrollment**

  Indicates the future ability of a state to provide skilled workers.

- **High School Educated Adults**

  Indicates the level of a trainable workforce available in a state.

- **Manhours Lost**

  Indicates the stability of the labor force and the effect of work stoppages on productivity which results in higher manufacturing costs.

- **Value Added**

  Indicates the productivity/cost relationship of manufacturing employees.

- **Hours Worked**

  Indicates the state's economic ability to utilize its human resources.

Other Manufacturing Related Issues (18.26)

- **Energy Costs**

  Indicates the costs of energy for manufacturers in a state.

- **Environmental Control**

  Indicates the importance placed on environmental control by state and local government and the potential emphasis placed on private sector compliance.

- **Population Density**

  Indicates the density of general markets.

- **Population Change**

  Indicates the growth or decline in size of general markets.

State and Local Government Fiscal Policies (17.86)

- **Taxes**

  Indicates the level of taxation in the state and the capacity to support such a level.

- **Change in Taxes**

  Indicates the trend in the level of taxation and the attitude of taxing authorities.

- **Expenditure Growth vs. Revenue Growth**

  Indicates the ability of the state and local authorities to match expenditures with revenues and the attitude of legislatures in balancing budgets.

- **Debt**

  Indicates the possibility of future taxation increases required to service past debt and the ability of a state to raise future debt.

- **Welfare Expenditure**

  Indicates a major expenditure category by state and local authorities - an expenditure which is often viewed by businesses as being not directly beneficial to their performance.

FACTORS RELATING TO THE LOCATION OF HIGH TECHNOLOGY INDUSTRIES

According to Batelle Laboratories
(in descending order of importance)

Engineering - Development

Available Professional, Technical Staff

Excellent Support Staff

High Quality of Life, Educational Systems

Excellent Transportation

Good Work Attitudes

Reasonable Operating Costs

Acceptable Facilities, Sites

Dependable Utilities

Taxes

Research Orientation

High Quality of Life

Major Universities, Technical Schools

Transportation

Reasonable Costs, Taxes

Local Pool of Professional Talent

Supporting Services

Pool of Technical Staff

Sites, Structures

Dependable Utilities

Proximity to Operating Units

Production

Total Costs

Taxes

Work Force

Transportation

Utility Costs, Availability

Educational Programs

Supporting Services

Sites, Structures

Community Attitudes

Quality of Life